

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE,
individually and on behalf of all others
similarly situated,

Plaintiff,

v .

IMPINJ, INC., CHRIS DIORIO, EVAN
FEIN, and ERIC BRODERSEN

Defendants.

No.

COMPLAINT FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS

CLASS ACTION

JURY TRIAL DEMANDED

1 Plaintiff Employees' Retirement System of the City of Baton Rouge and Parish of East
2 Baton Rouge ("Plaintiff"), by and through its counsel, alleges the following upon information
3 and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal
4 knowledge. Plaintiff's information and belief is based upon, *inter alia*, counsel's investigation,
5 which includes review and analysis of: (a) regulatory filings made by Impinj, Inc. ("Impinj" or
6 the "Company") with the United States Securities and Exchange Commission ("SEC"); (b) press
7 releases and media reports issued by and disseminated by the Company; (c) analyst reports
8 concerning Impinj; and (d) other public information regarding the Company.

9 INTRODUCTION

10 1. This securities fraud class action is brought on behalf of purchasers of Impinj's
11 publicly traded securities between November 3, 2016 and February 15, 2018, inclusive (the
12 "Class Period"). The claims asserted herein are alleged against Impinj and certain of the
13 Company's senior executives (collectively "Defendants") and arise under Sections 10(b) and
14 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated
15 thereunder.

16 2. Impinj is a leading provider of "RAIN RFID" hardware and software solutions
17 that are used by commercial and industrial clients to track and identify products. Throughout the
18 Class Period, Impinj defrauded investors concerning the demand for its integrated circuit ("IC")
19 tags or "endpoints" that, when attached to an individual item, enable users to determine the
20 item's identity, location, and authenticity.

21 3. Specifically, Defendants repeatedly touted increased sales and purportedly strong
22 demand for endpoint ICs, which Defendants claimed had been driven by customers' increasing
23 adoption of Impinj's technology. In truth, Impinj's "record breaking" revenues from 2016 to
24 late-2017 were the result of customers stockpiling inventory to account for Impinj's production
25 delays and concerns over extended production lead times. In fact, while Impinj was attributing
26 increased sales to "accelerating" demand—and reassuring investors that the Company had

1 “confidence in the strong demand” and great “visibility” into its customers’ supposedly “low”
 2 inventory levels—Impinj customers amassed between one half to one billion excess endpoint
 3 ICs.

4 4. When the Company’s supply constraints eventually improved, and IC endpoint
 5 lead times shortened, Impinj customers reduced their purchases, significantly reducing Impinj’s
 6 sales during 2018. The revelations of the fraud as described below caused the price of Impinj
 7 stock to decline dramatically, significantly damaging Plaintiff and the Class.

8 **JURISDICTION AND VENUE**

9 5. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange
 10 Act, 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the SEC, 17
 11 C.F.R. § 240.10b-5. This Court has jurisdiction over the subject matter of this action pursuant to
 12 28 U.S.C. §§ 1331 and 1337, and Section 27 of the Exchange Act, 15 U.S.C. § 78aa.

13 6. Venue is proper in this District pursuant to Section 27 of the Exchange Act and 28
 14 U.S.C. § 1391(b). Impinj maintains its executive offices in this District and many of the acts and
 15 conduct that constitute the violations of law complained of herein, including dissemination to the
 16 public of materially false and misleading information, occurred in and/or were issued from this
 17 District. In connection with the acts alleged in this complaint, Defendants, directly or indirectly,
 18 used the means and instrumentalities of interstate commerce, including, but not limited to, the
 19 mails, interstate telephone communications, and the facilities of the national securities markets.

20 **PARTIES**

21 7. Plaintiff Employees’ Retirement System of the City of Baton Rouge and Parish of
 22 East Baton Rouge is a defined benefit pension plan established in 1953 that provides retirement
 23 allowances and other benefits to regular employees of the City of Baton Rouge. As of December
 24 31, 2017, Plaintiff managed approximately \$1.2 billion in assets for the benefit of its
 25 approximately 6,800 participants. Plaintiff purchased Impinj securities during the Class Period
 26 and suffered damages as a result of the violations of the federal securities laws alleged herein.

1 8. Defendant Impinj is a Delaware corporation with its principal executive offices
2 located at 400 Fairview Avenue North, Suite 1200, Seattle, Washington 98109. The Company's
3 primary business consists of selling software and devices that connect everyday items to business
4 and consumer applications. Impinj's common stock trades on NASDAQ, which is an efficient
5 market, under the ticker symbol "PI." As of April 30, 2017, the Company had nearly 21 million
6 shares of stock outstanding.

7 9. Defendant Chris Diorio ("Diorio") is, and was at all relevant times, the Vice
8 Chairman and Chief Executive Officer ("CEO") of Impinj and a member of the Board of
9 Directors.

10 10. Defendant Evan Fein ("Fein") was, until he resigned effective March 30, 2018,
11 the Chief Financial Officer ("CFO") of Impinj.

12 11. Defendant Eric Brodersen ("Brodersen") is, and was at all relevant times, the
13 President and Chief Operating Officer of Impinj. Since Defendant Fein's departure, Defendant
14 Brodersen has also been serving as the Principal Financial Officer of Impinj.

15 12. Defendants Diorio, Fein, and Brodersen are collectively referred to herein as the
16 "Individual Defendants." The Individual Defendants, because of their positions with Impinj,
17 possessed the power and authority to control the contents of Impinj's reports to the SEC, press
18 releases, and presentations to securities analysts, money and portfolio managers, and institutional
19 investors. Each of the Individual Defendants was provided with copies of the Company's reports
20 and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had
21 the ability and opportunity to prevent their issuance or cause them to be corrected. Because of
22 their positions and access to material non-public information available to them, each of the
23 Individual Defendants knew that the adverse facts and omissions specified herein had not been
24 disclosed to, and were being concealed from, the public, and that the positive representations and
25 omissions which were being made were then materially false and/or misleading.

BACKGROUND

13. Impinj sells integrated circuit (“IC”) tags, which, when connected to an item, are called endpoints. These endpoints function as a tag system that provides wireless information about tagged items, including information about the item’s identity, location, and authenticity. Impinj’s platform connects items such as apparel, medical supplies, automobile parts, driver’s licenses, food, and luggage to applications such as inventory management, patient safety, asset tracking, and item authentication, delivering real-time information to businesses about items they create, manage, transport, and sell.

14. Impinj also sells reader ICs that enable wireless communication with the tag ICs. Original equipment manufacturing customers typically place large orders for reader ICs for use in their products and often secure supply for an extended period of time. Impinj also sells gateway systems that allow tag ICs to be scanned while in motion, such as when the item passes through a hallway, and employs software to manage the information and process. The Company’s customers include large commercial enterprises such as Wal-Mart and Microsoft.

DEFENDANTS DEFRAUD INVESTORS

15. Throughout the Class Period, Impinj defrauded investors regarding the level of demand for its IC tags. On November 3, 2016, the first day of the Class Period, Impinj announced the Company’s financial results for the third quarter of 2016. During the earnings conference call Impinj held on that day, CFO Fein reported revenue of \$31 million, which represented “50% growth over the third quarter of 2015 and 19.3% growth over the prior quarter.” According to the Company, this quarterly growth “was driven primarily by increasing demand for our endpoint ICs, followed by growing demand for our connectivity products.” Because of this supposed increase in demand, Impinj estimated endpoint IC sales for 2016 to be between 5.6 billion and 5.8 billion units—a significant increase from prior estimates of 4.9 billion to 5.1 billion units.

1 16. CEO Diorio told investors during the November 3 conference call that Impinj
2 views “endpoint IC volumes as an indicator of RAIN market adoption” and the Company is
3 “excited by the accelerating demand we are seeing.” In fact, during that same conference call,
4 Defendants reassured investors concerning the Company’s ability to assess demand from its
5 customers. According to CFO Fein, “[w]e use several methods to conduct inventory levels” and
6 “work[] closely with our largest inlay customers, and we’re in a position now where our
7 customers are desiring their endpoint ICs in very rapid fashion, so we feel comfortable that
8 inventory levels are low.” Defendant Fein added that the “visibility we’ve got, combined with
9 the short lead time orders we’re seeing from many of those customers, give us real confidence in
10 the strong demand.”

11 17. The statements set forth in ¶15-¶16 were materially false and misleading. In
12 truth, the Company’s reported earnings were not driven by “accelerating” demand for the
13 Company’s products nor increased market adoption of endpoint ICs. Rather, Impinj’s sales were
14 the result of customers stockpiling product in response to the Company’s supply constraints and
15 long lead times. As a result of customer stockpiling, Impinj’s customers’ inventory levels were
16 anything but “low” and, in fact, far exceeded actual end-user demand.

17 18. On February 16, 2017, Impinj held its earnings call for its fourth quarter of 2016.
18 During this call, CFO Fein reported revenue of \$33.7 million, a figure that was “ahead of our
19 guidance and representing 49% growth over the fourth-quarter of 2015.” Fein further touted that
20 this growth “was driven primarily by increasing demand for our endpoint ICs.” According to
21 Defendant Fein, “[f]or the full year, we grew revenue 43% to reach \$112.3 million” and that
22 Impinj’s “endpoint IC volume for the year grew to \$6 billion, roughly a 70% increase over the
23 prior year’s \$3.5 billion.” For 2016, the endpoint ICs represented 77% of the Company’s total
24 revenues.

25 19. Significantly, CEO Diorio told investors during the February 16, 2017 earnings
26 call that, “[a]s we’ve noted in prior calls, we view endpoint IC volumes as an indicator of RAIN

1 market adoption and are excited by the demand we're seeing." According to CFO Fein, this
2 continued demand would translate into sales of between 7.8 and 8 billion endpoint ICs in 2017.
3 Defendant Fein concluded, "[w]e remain on track to reach our target model in 2019 to 2020 with
4 endpoint IC revenue greater than 60% of our total."

5 20. The statements set forth in ¶18-¶19 were materially false and misleading. In
6 truth, the Company's revenue growth was not driven by increased demand for Impinj's endpoint
7 ICs, the Company's endpoint IC volumes were not an accurate indicator of RAIN market
8 adoption, and Impinj was not on track to reach its revenue target model in 2019 to 2020. In
9 reality, the Company's reported sales of endpoint ICs reflected purchases by Impinj customers
10 that greatly exceeded actual end-user demand, *i.e.*, customers stockpiling product, in response to
11 the Company's long lead times and supply constraints.

12 21. On May 4, 2017, during the Company's earnings call for its first quarter of 2017,
13 Impinj reported another "strong" quarter, with revenue of \$31.7 million, representing 47%
14 growth over the first quarter of 2016. According to CFO Fein, the "growth was driven primarily
15 by the team's strong execution and the market's continued adoption of our platform." Impinj
16 reaffirmed its prior guidance of between 7.8 and 8 billion endpoint ICs, with CEO Diorio telling
17 investors that, if anything, this guidance was conservative because it did not assume that several
18 significant sales the Company had the prior year would be repeated.

19 22. When analysts directly questioned the Company about the drivers of Impinj's own
20 increasing inventory levels during the May 4 earnings call, Impinj executives claimed those
21 increases were necessary to meet growing customer demand. Defendant Diorio told investors
22 that the Company was increasing its own inventory to establish a "position that meets the
23 demands of our market [and] the timing needs of our customer," and that the "momentum and
24 the demands are so great, we're going to invest even more in the inventory in the second
25 quarter." CFO Fein similarly explained that these inventory increases were appropriate because
26 the Company had strong insight into end-user demand from discussions with its customers, and

1 that the inventory levels at Impinj's customers were appropriate. Specifically, Fein told investors
2 that "we have an array of endpoint IC customers that we keep in regular contact with" including
3 "relationships at all levels of those customers, meaning both executive and kind of in the line and
4 managerial level. And based on those checks, we feel very good about the inventory levels at
5 those places."

6 23. The statements set forth in ¶21-¶22 were materially false and misleading.
7 Impinj's growth was not driven by continued market adoption of its products. Impinj's
8 increasing inventory levels were also not necessary to meet increased customer demand. In
9 truth, the Company's reported sales reflected customers purchasing excess inventory to account
10 for Impinj's extended production lead times. Specifically, rather than maintain appropriate levels
11 of inventory, Impinj customers in fact amassed between one-half to one billion excess endpoint
12 ICs—inventory levels that were far in excess of actual demand and that would require a
13 subsequent inventory drawdown that would negatively impact sales going forward.

14 **THE TRUTH BEGINS TO BE REVEALED**

15 24. The first indication that Impinj had misled investors came on August 3, 2017,
16 when the Company reduced its full-year forecasts, citing delays in planned expansions at several
17 large customers. Specifically, CFO Fein disclosed during the Company's earnings call for the
18 second quarter of 2017 that Impinj expected third quarter 2017 revenue to be in the range of
19 \$31.75 million to \$33.25 million, or up just 4.6% year-over-year. Defendant Diorio added that
20 Impinj was reducing its full year 2017 endpoint IC guidance from between 7.8 billion and 8.0
21 billion units to between 7.0 billion and 7.2 billion units—projecting approximately half the
22 growth it provided the prior quarter.

23 25. CEO Diorio falsely assured investors on August 3 that the reduction was caused
24 by "several large end customers delaying planned expansions" that were "due primarily [] to
25 internal process and integration challenges at their end." CFO Brodersen similarly stated that the
26 decline was due to customers' internal issues, as opposed to a significant decline in demand.

1 Despite Defendants' false assurances, the price of the Company's stock declined from \$47.92 per
2 share on August 3, 2017 to \$37.52 per share on August 4, 2017, or approximately 22%.

3 26. On November 1, 2017, the Company announced earnings for the third quarter
4 2017, and disclosed that it lowered fourth quarter guidance due to "a decline in endpoint IC
5 demand." During Impinj's earnings call held that day, Defendant Fein revealed that the
6 Company recorded third-quarter revenue of \$32.6 million, representing only 5% growth over the
7 third quarter of 2016. Impinj's guidance was even more disappointing, as Defendant Fein
8 revealed that the Company revised fourth quarter revenues sharply downward and expected
9 "non-GAAP earnings to be a loss between \$4.95 million and \$3.45 million."

10 27. According to Impinj, the Company's fourth quarter outlook was "impacted by a
11 decline in endpoint IC demand," with Defendant Diorio explaining that the reduced demand was
12 attributable to customers "adjusting from a transition where we had constrained supply and long
13 lead times to us having a buffer stock in short lead times now." In fact, Diorio revealed that, in
14 the prior year, "we didn't have enough product [and] so we have long lead times, and we see a
15 normalization happening now as we accommodate basically a new dynamic where we have
16 sufficient product to meet the demand." This news caused the price of Impinj stock to decline
17 from \$32.80 per share on November 1, 2017 to \$21.55 per share on November 2, 2017, or
18 approximately 34%.

19 28. Then, on February 1, 2018, Impinj pre-announced fourth quarter 2017 earnings,
20 disclosing that it expected revenue to miss even the reduced guidance it provided just weeks
21 earlier. CEO Diorio stated that the sales reduction was driven by a massive inventory backlog,
22 explaining that the Company's "shortened endpoint IC lead times have contributed to a reduction
23 in our endpoint IC order backlog as well as ongoing reductions in inlay-partner inventory." As a
24 result, "despite continued growth in endpoint IC consumption and in the number of deployments
25 by end users, we currently anticipate softness in our endpoint IC volumes and first quarter
26 revenue of \$20 to \$22 million." Impinj also reported that long-time CFO Fein would resign

1 effective March 30, 2018. The revelation of this massive inventory backlog—a state of affairs
2 that was completely inconsistent with the Company’s prior assurances that endpoint IC customer
3 inventory levels were “low” and that demand was “strong”—caused the price of the Company’s
4 stock to decline nearly 47%, from \$22.86 per share on February 1, 2018 to \$12.16 per share on
5 February 2, 2018.

6 29. Two weeks later, during the Company’s earnings call for the fourth quarter of
7 2017 held on February 15, 2018, Impinj disclosed fourth quarter revenue of just \$26.9 million—
8 a decrease of \$6.8 million from the fourth quarter of 2016, and below the preliminary estimate of
9 \$29.5 million the Company announced in its February 1 pre-announcement. CFO Fein revealed
10 that after the pre-announcement, Impinj agreed to a customer’s request for a onetime product
11 exchange, requiring the Company to take an accounting reserve and decrease fourth quarter 2017
12 revenue by \$3.2 million. According to the Company, the shortfall was primarily due to the 33%
13 decline in endpoint IC revenue resulting from the continued “inventory drawdown at our inlay
14 partners.” Worse, Impinj disclosed that the inventory drawdown would continue to impact
15 revenues for at least the first two quarters of 2018 and had such a drastic effect on the
16 Company’s financial position that Impinj had been forced to take significant measures to reduce
17 costs, including by firing employees, reducing product development, halting office expansion
18 and closing several remote offices.

19 30. As CEO Diorio explained on Impinj’s February 15, 2018 earnings call, “endpoint
20 IC lead times have contracted from an average of 10 to 12 weeks in 2016 to an average of 4 to 6
21 weeks today. As a consequence, we have seen a significant reduction in our order backlog, and
22 we expect our inlay partners to further reduce their inventory by between 500 million and 1
23 billion units, mostly in the first and second quarters. As a result, even though we anticipate 15%
24 to 20% growth in end user endpoint IC consumption in 2018, our first half 2018 unit volume
25 growth will lag end user consumption.” On this news, the price of the Company’s stock declined
26

1 from \$13.43 per share on February 15, 2018 to \$11.07 per share on February 16, 2018, or nearly
2 18%.

3 **LOSS CAUSATION**

4 31. During the Class Period, as detailed herein, Defendants made materially false and
5 misleading statements and omissions, and engaged in a scheme to deceive the market. This
6 artificially inflated the price of Impinj securities and operated as a fraud or deceit on the Class.
7 Later, when Defendants' prior misrepresentations and fraudulent conduct were disclosed to the
8 market on August 3, 2017, November 1, 2017, February 1, 2018, and February 15, 2018, the
9 price of Impinj securities fell precipitously, as the prior artificial inflation came out of the price
10 over time. As a result of their purchases of Impinj securities during the Class Period, Plaintiff
11 and other members of the Class suffered economic loss, i.e., damages, under the federal
12 securities laws.

13 **CLASS ACTION ALLEGATIONS**

14 32. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal
15 Rules of Civil Procedure on behalf of all persons who purchased the securities of Impinj during
16 the Class Period (the "Class"). Excluded from the Class are Defendants and their families,
17 directors, and officers of Impinj and their families and affiliates.

18 33. The members of the Class are so numerous that joinder of all members is
19 impracticable. The disposition of their claims in a class action will provide substantial benefits
20 to the parties and the Court. As of April 30, 2017, there were 21 million shares of Impinj stock
21 outstanding, owned by hundreds or thousands of investors.

22 34. There is a well-defined community of interest in the questions of law and fact
23 involved in this case. Questions of law and fact common to the members of the Class which
24 predominate over questions which may affect individual Class members include:

- 25 A. Whether Defendants violated the Exchange Act;
- 26 B. Whether Defendants omitted and/or misrepresented material facts;

- 1 C. Whether Defendants' statements omitted material facts necessary in order to make
2 the statements made, in light of the circumstances under which they were made,
3 not misleading;
- 4 D. Whether Defendants knew or recklessly disregarded that their statements and/or
5 omissions were false and misleading;
- 6 E. Whether the price of Impinj securities was artificially inflated;
- 7 F. Whether Defendants' conduct caused the members of the Class to sustain
8 damages; and
- 9 G. The extent of damage sustained by Class members and the appropriate measure of
10 damages.

11 35. Plaintiff's claims are typical of those of the Class because Plaintiff and the Class
12 sustained damages from Defendants' wrongful conduct.

13 36. Plaintiff will adequately protect the interests of the Class and has retained counsel
14 experienced in class action securities litigation. Plaintiff has no interests which conflict with
15 those of the Class.

16 37. A class action is superior to other available methods for the fair and efficient
17 adjudication of this controversy.

18 **INAPPLICABILITY OF STATUTORY SAFE HARBOR**

19 38. Impinj's "Safe Harbor" warnings accompanying its forward-looking statements
20 issued during the Class Period were ineffective to shield those statements from liability. Indeed,
21 those warnings were themselves misleading because they presented as potential risks conditions
22 that already existed or were known to be imminent when the warnings were made.

23 39. Defendants are also liable for any false or misleading forward-looking statements
24 pleaded herein because, at the time each such statement was made, the speaker knew the
25 statement was false or misleading and the statement was authorized and/or approved by an
26 executive officer of Impinj who knew that the statement was false. None of the historic or

1 present tense statements made by Defendants were assumptions underlying or relating to any
 2 plan, projection, or statement of future economic performance, as they were not stated to be such
 3 assumptions underlying or relating to any projection or statement of future economic
 4 performance when made, nor were any of the projections or forecasts made by Defendants
 5 expressly related to, or stated to be dependent on, those historic or present tense statements when
 6 made.

7 **PRESUMPTION OF RELIANCE**

8 40. At all relevant times, the market for Impinj's securities was an efficient market for
 9 the following reasons, among others:

- 10 A. Impinj stock met the requirements for listing, and was listed and actively traded
 11 on NASDAQ, a highly efficient and automated market;
- 12 B. As a regulated issuer, Impinj filed periodic public reports with the SEC and
 13 NASDAQ;
- 14 C. Impinj regularly and publicly communicated with investors via established market
 15 communication mechanisms, including through regular disseminations of press
 16 releases on the national circuits of major newswire services and through other
 17 wide-ranging public disclosures, such as communications with the financial press
 18 and other similar reporting services; and
- 19 D. Impinj was followed by several securities analysts employed by major brokerage
 20 firm(s) who wrote reports which were distributed to the sales force and certain
 21 customers of their respective brokerage firm(s). Each of these reports was
 22 publicly available and entered the public marketplace.

23 41. As a result of the foregoing, the market for Impinj securities promptly digested
 24 current information regarding Impinj from all publicly available sources and reflected such
 25 information in the price of Impinj securities. Under these circumstances, all purchasers of Impinj
 26

1 securities during the Class Period suffered similar injury through their purchase of Impinj
2 securities at artificially inflated prices and the presumption of reliance applies.

3 42. A Class-wide presumption of reliance is also appropriate in this action under the
4 Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),
5 because the Class' claims are grounded on Defendants' material omissions. Because this action
6 involves Defendants' failure to disclose material adverse information regarding the true demand
7 for the Company's IC tags—information that Defendants were obligated to disclose—positive
8 proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld
9 be material in the sense that a reasonable investor might have considered them important in
10 making investment decisions. Given the importance of Impinj's IC tags to the Company's
11 business, as set forth above, that requirement is satisfied here.

12 COUNT I

13 **For Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Against All Defendants**

14 43. Plaintiff repeats and realleges each and every allegation contained above as if fully
15 set forth herein.

16 44. During the Class Period, Defendants carried out a plan, scheme, and course of
17 conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing
18 public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and
19 other members of the Class to purchase Impinj securities at artificially inflated prices.

20 45. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made
21 untrue statements of material fact and/or omitted to state material facts necessary to make the
22 statements not misleading; and (iii) engaged in acts, practices, and a course of business which
23 operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to
24 maintain artificially high market prices for Impinj securities in violation of Section 10(b) of the
25 Exchange Act and Rule 10b-5 promulgated thereunder.
26

46. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about the Company's financial well-being, operations, and prospects.

47. During the Class Period, Defendants made the false statements specified above, which they knew or recklessly disregarded to be false or misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

48. Defendants had actual knowledge of the misrepresentations and omissions of material fact set forth herein, or recklessly disregarded the true facts that were available to them. Defendants engaged in this misconduct to conceal Impinj's true condition from the investing public and to support the artificially inflated prices of the Company's securities.

49. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Impinj securities. Plaintiff and the Class would not have purchased the Company's securities at the prices they paid, or at all, had they been aware that the market prices for Impinj securities had been artificially inflated by Defendants' fraudulent course of conduct.

50. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases of the Company's securities during the Class Period.

51. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

COUNT II

For Violation of Section 20(a) of the Exchange Act Against the Individual Defendants

52. Plaintiff repeats, incorporates, and realleges each and every allegation set forth above as if fully set forth herein.

53. The Individual Defendants acted as controlling persons of Impinj within the meaning of Section 20(a) of the Exchange Act. By virtue of their high-level positions, participation in and/or awareness of the Company's operations, direct involvement in the day-to-day operations of the Company, and/or intimate knowledge of the Company's actual performance, and their power to control public statements about Impinj, the Individual Defendants had the power and ability to control the actions of Impinj and its employees. By reason of such conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act.

PRAYER FOR RELIEF

54. WHEREFORE, Plaintiff prays for judgment as follows:

- A. Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- B. Awarding compensatory damages in favor of Plaintiff and other Class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- C. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including attorneys' fees and expert fees; and
- D. Awarding such equitable/injunctive or other further relief as the Court may deem just and proper.

JURY DEMAND

55. Plaintiffs demands a trial by jury.

1 Dated: October 2, 2018

Respectfully submitted,

2 **BYRNES & KELLER LLP**

3 /s/ Bradley S. Keller

4 Bradley S. Keller, WSBA# 10665
1000 Second Avenue, 38th Floor
5 Seattle, Washington 98104
Telephone: (206) 622-2000
6 Facsimile: (206) 622-2522
7 bkeller@byrneskeller.com

8 *Liaison Counsel for Plaintiff Employees'*
9 *Retirement System of the City of Baton*
Rouge and Parish of East Baton Rouge

10 **BERNSTEIN LITOWITZ BERGER**
11 **& GROSSMANN LLP**

12 Avi Josefson
Michael D. Blatchley
1251 Avenue of the Americas
13 New York, New York 10020
Telephone: (212) 554-1400
14 Facsimile: (212) 554-1444
15 avi@blbglaw.com
mikeb@blbglaw.com

16 *Counsel for Plaintiff Employees' Retirement*
17 *System of the City of Baton Rouge and*
18 *Parish of East Baton Rouge*

CERTIFICATE OF SERVICE

I hereby certify that on October 2, 2018, I electronically filed the foregoing paper with the Clerk of the Court using the ECF system which will send notification of such filing to the email addresses denoted on the Electronic Mail Notice List.

/s/ Bradley S. Keller
Bradley S. Keller, WSBA# 10665

*Liaison Counsel for Plaintiff Employees'
Retirement System of the City of Baton
Rouge and Parish of East Baton Rouge*

**CERTIFICATION PURSUANT TO
THE FEDERAL SECURITIES LAWS**

I, Jeffrey R. Yates, on behalf of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge ("Baton Rouge"), hereby certify, as to the claims asserted under the federal securities laws, that:

1. I am the Retirement Administrator of Baton Rouge. I have reviewed this complaint and Baton Rouge has authorized its filing.
2. Baton Rouge did not purchase the securities that are the subject of this action at the direction of counsel or in order to participate in any action arising under the federal securities laws.
3. Baton Rouge is willing to serve as a lead plaintiff and representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary. Baton Rouge fully understands the duties and responsibilities of the lead plaintiff under the Private Securities Litigation Reform Act, including the selection and retention of counsel and overseeing the prosecution of the action for the Class.
4. Baton Rouge's transactions in the Impinj, Inc. securities that are the subject of this action are set forth in the chart attached hereto.
5. Baton Rouge sought to serve as a representative party on behalf of a class in the following action under the federal securities laws filed during the three-year period preceding the date of this Certification:

Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge v. Aaron's Inc., No. 17-cv-2270 (N.D. Ga.)

6. Baton Rouge has sought to serve and was appointed as a lead plaintiff and representative party on behalf of a class in the following action under the federal securities laws filed during the three-year period preceding the date of this Certification:

Fresno County Employees' Retirement Association v. comScore, Inc.,
No. 16-cv-1820 (S.D.N.Y.)

7. Baton Rouge will not accept any payment for serving as a representative party on behalf of the Class beyond Baton Rouge's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 2nd day of October, 2018.



Jeffrey R. Yates

Retirement Administrator

*Employees Retirement System of the City of Baton
Rouge and Parish of East Baton Rouge*

**Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge
Transactions in Impinj, Inc.**

<u>Transaction</u>	<u>Date</u>	<u>Shares</u>	<u>Price</u>
Purchase	3/2/2017	683	29.1169
Purchase	3/3/2017	1,116	28.8617
Purchase	3/6/2017	1,131	27.9394
Purchase	3/7/2017	539	27.5225
Purchase	3/7/2017	903	27.2280
Purchase	3/8/2017	790	27.6832
Purchase	3/9/2017	271	27.7914
Purchase	3/10/2017	1,149	28.0550
Purchase	3/13/2017	463	28.5380
Purchase	3/14/2017	1,175	28.1923
Purchase	3/15/2017	758	28.4111
Purchase	3/21/2017	956	28.6956
Purchase	3/22/2017	838	28.2201
Purchase	5/11/2017	1,274	39.2093
Purchase	6/27/2017	1,235	53.1129
Purchase	6/28/2017	304	53.5644
Purchase	7/26/2017	183	52.8155
Purchase	7/27/2017	874	51.5237
Purchase	7/28/2017	1,125	50.4121
Purchase	7/31/2017	1,110	49.2872
Purchase	8/2/2017	469	48.7199
Sale	7/19/2017	(743)	51.1906
Sale	8/10/2017	(866)	34.0060
Sale	8/11/2017	(1,581)	34.0401
Sale	8/14/2017	(203)	34.0148
Sale	8/15/2017	(641)	32.0742
Sale	10/3/2017	(360)	39.6956
Sale	10/4/2017	(1,020)	40.1980
Sale	10/5/2017	(94)	40.3494
Sale	10/9/2017	(17)	38.0553
Sale	10/10/2017	(92)	38.0010
Sale	10/12/2017	(44)	38.0000
Sale	10/13/2017	(137)	36.6635
Sale	10/16/2017	(251)	35.0832
Sale	11/2/2017	(5,538)	22.1020
Sale	12/4/2017	(1,305)	23.0324
Sale	12/12/2017	(818)	23.6985
Sale	12/13/2017	(312)	23.5365
Sale	12/20/2017	(317)	23.6655
Sale	12/20/2017	(352)	23.7143
Sale	12/21/2017	(649)	23.4024
Sale	12/22/2017	(622)	22.8240
Sale	12/26/2017	(752)	21.9377
Sale	12/27/2017	(632)	22.4542